




Office of the Treasurer & Collector of Taxes

*Town of Arlington, Massachusetts
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Phyllis L. Marshall
Treasurer & Collector of Taxes

Memorandum

Date: November 14, 2019
To: Diane M. Mahon, Select Board Chair
From: Phyllis L. Marshall, Treasurer – Collector 
Subject: \$66,190,000 General Obligation Municipal Purpose Loan of Bond

The bond for sale November 13, 2019 generated eleven competitive bids for 30 year bond issue. Morgan Stanley & Co., LLC was the winning bidder with an interest rate of 2.69%.

The bond includes \$56.7 million exempt debt for the High School project, \$3 million for refunding of bond anticipation notes (High School feasibility, Community Center Plans) and various projects town-wide for Capital Improvement.

Attached is a copy of the S&P Global Rating affirming their 'AAA' rating and stable outlook to Arlington, MA issued in advance of the sale today. The rating agency noted the very strong economy, strong management, strong budgetary performance, very strong budgetary flexibility and very strong liquidity as positive credit factors.

The proceeds for financing Capital fund recommendations by the Capital Planning Committee in the Report to Town Meeting of 2019, Exhibit III, and voted in Article 58 (5) with the following exceptions. The DPW facility improvements are being finalized and bids will be accepted later this fiscal year. Bonding for the construction phases will proceed within the next year. Playground improvements and Reservoir Improvements (Phase 2) bid results were higher than expected so that the required appropriation needs further consideration. In preparation of the borrowing issue, it was determined that Boiler Replacement at Veterans' Memorial Rink could be deferred for another year.

Also attached for your information are copies of the closing documents for your approval. I respectfully request your favorable consideration and vote for sale of these bonds that will close on December 4, 2019.

Attachments

Cc: Adam Chapdelaine, Town Manager
Sandy Pooler, Deputy Town Manager
Marie Krepelka, Board Administrator

VOTE OF THE SELECT BOARD

I, the Clerk of the Select Board of the Town of Arlington, Massachusetts (the "Town"), certify that at a meeting of the board held November 18, 2019 of which meeting all members of the board were duly notified and at which a quorum was present, the following votes were unanimously passed, all of which appear upon the official record of the board in my custody:

Voted: that we hereby determine, in accordance with G.L. c.70B, that the amount of the cost of the Arlington High School project authorized by a vote of the Town passed on April 29, 2019 (Article 1) not being paid by the school facilities grant is \$207,379,169 and we hereby approve of the issuance of notes and bonds in such amount under said G.L. c.70B.

Further Voted: that the maximum useful life of the radio upgrade/replacement program equipment to be financed with a portion of the proceeds of the \$3,795,000 borrowing authorized by the vote of the Town passed April 25, 2018 (Article 30) is hereby determined pursuant to G.L. c.44, §7(1) to be 10 years.

Further Voted: that the maximum useful life of the departmental equipment listed below to be financed with the proceeds of a portion of the \$44,094,000 borrowing authorized by the vote of the Town passed May 8, 2019 (Article 58) is hereby determined pursuant to G.L. c.44, §7(1) to be as follows:

<u>Purpose</u>	<u>Borrowing Amount</u>	<u>Maximum Useful Life</u>
police radio upgrade/replacement	\$967,000	10 Years
street sweeper	\$225,000	10 Years
fire radio replacement	\$205,000	7 Years
4WD truck with sander	\$168,000	7 Years
dump truck with plow	\$125,000	7 Years
voting machines	\$114,000	10 Years

Further Voted: that the sale of the \$66,190,000 General Obligation Municipal Purpose Loan of 2019 Bonds of the Town dated December 4, 2019 (the "Bonds") to Morgan Stanley & Co., LLC at the price of \$70,295,174.82 and accrued interest is hereby approved and confirmed. The Bonds shall be payable on September 1 of the years and in the principal amounts and bear interest at the respective rates, as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2020	\$1,060,000	5.00%	2035	\$2,160,000	3.00%
2021	1,550,000	5.00	2036	2,215,000	3.00
2022	1,600,000	5.00	2037	2,275,000	3.00
2023	1,650,000	5.00	2038	2,335,000	3.00
2024	1,705,000	5.00	2039	2,395,000	3.00
2025	1,765,000	5.00	2040	2,450,000	3.00
2026	1,830,000	5.00	2041	2,515,000	3.00
2027	1,890,000	5.00	2042	2,580,000	3.00
2028	1,965,000	5.00	2043	2,650,000	3.00
2029	2,035,000	5.00	2044	2,720,000	3.00
2030	1,975,000	4.00	2045	2,795,000	3.00
2031	2,025,000	2.125	2046	2,875,000	3.00
2032	2,060,000	2.25	2047	2,950,000	3.00
2033	2,100,000	2.50	2048	2,915,000	3.00
2034	2,155,000	3.00	2049	2,995,000	3.00

Further Voted: that in connection with the marketing and sale of the Bonds, the preparation and distribution of a Notice of Sale and Preliminary Official Statement dated November 6, 2019 and a final Official Statement dated November 13, 2019 (the "Official Statement"), each in such form as may be approved by the Town Treasurer, be and hereby are ratified, confirmed, approved and adopted.

Further Voted: that the Bonds shall be subject to redemption, at the option of the Town, upon such terms and conditions as are set forth in the Official Statement.

Further Voted: that the Town Treasurer and the Select Board be, and hereby are, authorized to execute and deliver a continuing disclosure undertaking in compliance with SEC Rule 15c2-12 in such form as may be approved by bond counsel to the Town, which undertaking shall be incorporated by reference in the Bonds for the benefit of the holders of the Bonds from time to time.

Further Voted: that we authorize and direct the Town Treasurer to establish post issuance federal tax compliance procedures and continuing disclosure procedures in such forms as the Town Treasurer and bond counsel deem sufficient, or if such procedures are currently in place, to review and update said procedures, in order to monitor and maintain the tax-exempt status of the Bonds and to comply with relevant securities laws.

Further Voted: that each member of the Select Board, the Town Clerk and the Town Treasurer be and hereby are, authorized to take any and all such actions, and execute and deliver such certificates, receipts or other documents as may be determined by them, or any of them, to be necessary or convenient to carry into effect the provisions of the foregoing votes.

I further certify that the votes were taken at a meeting open to the public, that no vote was taken by secret ballot, that a notice stating the place, date, time and agenda for the meeting (which agenda included the adoption of the above votes) was filed with the Town Clerk and a copy thereof posted in a manner conspicuously visible to the public at all hours in or on the municipal building that the office of the Town Clerk is located or, if applicable, in accordance with an alternative method of notice prescribed or approved by the Attorney General as set forth in 940 CMR 29.03(2)(b), at least 48 hours, not including Saturdays, Sundays and legal holidays, prior to the time of the meeting and remained so posted at the time of the meeting, that no deliberations or decision in connection with the sale of the Bonds were taken in executive session, all in accordance with G.L. c.30A, §§18-25, as amended.

Dated: November 18, 2019

Clerk of the Select Board

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